



CHARLES R. HANSEN
Director

THE STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE LANDS
105 STATE CAPITOL BUILDING
SALT LAKE CITY, UTAH 84114

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December 16, 1976



Mr. Ronald W. Daniels
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah
84116

Dear Ron:

RE: Reclamation Surety - Dog Valley Coal Mine, Blackstone Mine and John Henry Coal Mine

In reply to your letter of December 13, 1976, please be advised of the following:

Western States Coal Corporation, Lessee and operator of the Dog Valley Mine in Emery County, has submitted a Bond of Lessee in the amount of \$25,000 to cover their operations at the Dog Valley Mine. The bond was accepted by the Director on August 30, 1976.

On July 6, 1976, Homer E. Davis and Harold D. Lile entered into an Escrow Agreement with the Board of State Lands covering their mining operations under ML 29831-A (Blackstone Mine). The Lessees, in lieu of posting a bond or other surety, agreed to deposit with the Board an initial payment of \$500.00, and to make regular deposits no less than \$200.00 per month thereafter until such time as the fund contained \$5,000.00, excluding interest. The fund will thereafter remain in lieu of a surety performance bond.

The Division of State Lands has not yet set reclamation surety for the 5-M Corporation's John Henry Coal Mine. The reason for this is that, according to the mining plan, no significant disturbance will occur on the surface of the State school section. Surface disturbance will be confined almost entirely to the adjacent Federal lands. In the event that the present mining plan is altered or if additional information would indicate significant disturbance to our lands we would, of course, take another look at the need for reclamation surety.

Yours truly,

C. J. Brinton

C.J. BRINTON
ECONOMIC GEOGRAPHER